

DECEMBER 9, 1996.

To: Mr. Esposito.
 From: Director, FBI.
 Subject: Democratic National Campaign Matter.

MEMORANDUM

As I related to you this morning, I met with the Attorney General on Friday, 12/6/96, to discuss the above-captioned matter.

I stated that DOJ had not yet referred the matter to the FBI to conduct a full, criminal investigation. It was my recommendation that this referral take place as soon as possible.

I also told the Attorney General that since she had declined to refer the matter to an Independent Counsel it was my recommendation that she select a first rate DOJ legal team from outside Main Justice to conduct the inquiry. In fact, I said that these prosecutors should be "junk-yard dogs" and that in my view, PIS was not capable of conducting the thorough, aggressive kind of investigation which was required.

I also advised the Attorney General of Lee Radek's comment to you that there was a lot of "pressure" on him and PIS regarding this case because the "Attorney General's job might hang in the balance" (or words to that effect). I stated that those comments would be enough for me to take him and the Criminal Division off the case completely.

I also stated that it didn't make sense for PIS to call the FBI the "lead agency" in this matter while operating a "task force" with DOC IGs who were conducting interviews of key witnesses without the knowledge or participation of the FBI.

I strongly recommend that the FBI and hand-picked DOJ attorneys from outside Main Justice run this case as we would any matter of such importance and complexity.

We left the conversation on Friday with arrangements to discuss the matter again on Monday. The Attorney General and I spoke today and she asked for a meeting to discuss the "investigative team" and hear our recommendations. The meeting is now scheduled for Wednesday, 12/11/96, which you and Bob Litt will also attend.

I intend to repeat my recommendations from Friday's meeting. We should present all of our recommendations for setting up the investigation—both AUSAs and other resources. You and I should also discuss and consider whether on the basis of all the facts and circumstances—including Huang's recently released letters to the President as well as Radek's comments—whether I should recommend that the Attorney General reconsider referral to an Independent Counsel.

It was unfortunate that DOJ declined to allow the FBI to play any role in the Independent Counsel referral deliberations. I agree with you that based on the DOJ's experience with the Cisneros matter—which was only referred to an Independent Counsel because the FBI and I intervened directly with the Attorney General—it was decided to exclude us from this decision-making process.

Nevertheless, based on information recently reviewed from PIS/DOC, we should determine whether or not an Independent Counsel referral should be made at this time. If so, I will make the recommendation to the Attorney General.

Mr. SPECTER. Mr. President, I ask unanimous consent that an extract of a report from CIA Inspector General Frederick Hitz be printed in the CONGRESSIONAL RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

We have no reason to believe that the DCIs who served during the relevant period were

aware of the deficiencies described in this report. But DCIs are obligated to ensure that they are knowledgeable of significant developments related to crucial Agency missions. Sensitive human source reporting on the Soviet Union and Russia during and after the Cold War clearly was such a mission, and certain DCIs must therefore be held accountable for serious shortcomings in that reporting.

Mr. SPECTER. I thank the Chair and yield the floor.

The ACTING PRESIDENT pro tempore. The Senator from Michigan.

PRESCRIPTION DRUGS

Ms. STABENOW. Mr. President, I rise to express grave disappointment and concern that yesterday the Secretary of Health and Human Services, Tommy Thompson, indicated he would not implement a bipartisan law passed by this Congress last session. This legislation would open the borders of our country so that American citizens, who pay for a good share of the research done on prescription drugs in this country, to support the development of medications that are desperately needed, could get the best price for American-made, FDA-safety-approved medications from other countries such as Canada.

Last year, Congress passed a bill that says we will no longer protect the prices charged in this country that disadvantage our citizens by stopping us from free commerce across the border. I supported this effort in the House of Representatives. I find it ironic, at a time when our President talks about wanting free trade authority and expanding free trade, that we stop our citizens at the border from being able to benefit from free trade regarding the purchase of prescription drugs.

Yesterday, the Secretary of Health and Human Services said he was concerned about the safety of reimported prescription drugs. We addressed those concerns in the previously approved legislation. Further, I have introduced legislation called the Medication Equity and Drug Savings Act, S. 215, the MEDS Act, that addresses the safety concerns expressed by former Secretary Shalala. My bill guarantees in the clearest terms that American labels will be used on the wholesale products that come from another country and that there will be complete safety precautions to make sure Americans will be receiving American-made, safe, FDA-approved drugs.

What is the difference in cost for prescription drugs? The difference is clear when I stand in Detroit, MI, and I look across the river, I know that prices for American-made prescription drugs can be cut in half for my constituents with a quick 5 minute drive across the bridge to Canada. In some cases, the savings are even greater. Tamoxifen, a breast cancer treatment drug, is \$136 a month in Michigan. Last year, we drove across the bridge with a group of seniors to purchase the exact same medicine; the price was only \$15. There is something wrong with this picture.

The bill the Secretary chose not to implement would have begun to address this price difference by opening the borders, to make sure our hospitals, our businesses, and our pharmacists, could develop business relationships with wholesalers in other countries to bring back drugs at a lower cost and make sure our citizens could get medication at lower prices.

Today I urge my colleagues to join together again in a bipartisan way to act. We must guarantee that this law will be put into effect this year, whether it be by passing my legislation, making changes on another bill, or including it in Medicare prescription drug legislation which is so critical. We must act now. Over and over again I hear from families in my State and States across our country. Families, seniors, individuals with disabilities, and working people with ailments are all concerned about the high costs of prescription drugs. People are having to choose between paying the electric bill, getting their food, or getting their medicine. In the great United States of America, this great country, that should not be happening.

I express grave concern and disappointment about the decision and the information released yesterday by the Secretary. I urge him and invite all my colleagues to join with me to address this issue in a way that will allow opening of the borders to reaffirm competition for the best, lowest price for the safest prescription drugs that are manufactured in this country, that our citizens help to subsidize. Whether through the R&D tax credit, through funding the Federal labs, or through other efforts, taxpayers help to develop these prescriptions. We helped fund the development of the medication, and Americans pay top dollar compared to anybody in the world for these same prescription drugs. It is not right.

It is time now to act to make sure we can truly reduce the costs of one of the most important parts of the health care system today—medicines for our people, for the families of America. We deserve a break. Unfortunately, the roadblock was maintained yesterday. It is time to take down the barrier at the border and allow our people to buy prescription drugs wherever they can get the best price. I urge we act as quickly as possible.

Mr. BURNS. I suggest the absence of a quorum.

The ACTING PRESIDENT pro tempore. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. BURNS. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.